

REMARKS

Entry of the present Amendment and reconsideration of the claims is requested.

Status of the Claims

Claims 85-88 have been added.

Claims 3-88 are pending in the application.

New claims 85-88 do not add new matter. Support for the new claims is found in the specification on page 7, lines 5-15; page 12, line 19 to page 13, line 20; page 23, line 3 to page 24, line 10; and page 33, lines 6-10. Claims 85-88 are also supported by the Declaration under 37 C.F.R. § 1.131 filed on June 17, 2002. Support for the claims are in Exhibit 1, e.g., pages 9 and 17-18.

Request for Reconsideration of the Declaration Under 37 C.F.R. § 1.131

The Applicants respectfully request that the Examiner reconsider the Declaration under 37 C.F.R. § 1.131 filed on June 17, 2002, including all attached Exhibits (the "Declaration").

The Applicants respectfully state that the Examiner has not explained why the evidence contained in the Declaration is insufficient.

Specifically, MPEP § 716.01 states that:

[a]ll entered affidavits, declarations, and other evidence traversing rejections ... [should be] commented upon by the examiner ... [and w]here the evidence is insufficient to overcome the rejection, the examiner must specifically explain why the evidence is insufficient. General statements ... without an explanation supporting such findings are insufficient.

Applicants also respectfully submit that the Declaration clearly establishes possession of the claimed invention prior to the earliest filing date of U.S. Patent No. 6,226,618 to Downs et al. ("Downs"), and prior to the publication date of the Business Wire article entitled *NetWave Inc.com™ Kicks Off QuickBuy™ Enabling Faster, Easier, Safer E-Business* ("BW Article"). The requirements for an affidavit for "swearing back" of a reference are outlined in 37 C.F.R. § 1.131, in which part (b) states:

[t]he showing of facts shall be such, in character and weight, as to establish reduction to practice prior to the effective date of the reference, or conception of the invention prior to the effective date of the reference coupled with due diligence from prior to said date to a subsequent reduction to practice or to the filing of the application.

Additionally, the courts have held, and as relied upon in MPEP § 715.07, that:

there must be some stage of an invention when it must be presumed as a matter of law that the inventor has reduced his invention to practice; and that stage is presumed to have been reached when he has done all that he is required to do to obtain a valid patent, namely, when he has filed a complete and allowable application.

Automatic Weighing Machine Co. v. Pneumatic Scale Corp., 166 F. 288, 297 1909 C.D. 498, 139 O.G. 991 (1st Cir. 1909). *See also*, MPEP §§ 715.02 and 715.07.

The Applicants submit that the character and weight of the facts shown in the Declaration are sufficient to establish conception of the invention prior to the effective date of Downs. Additionally, the invention was diligently reduced to practice at least as early as the filing of the priority document for this application.

The requirement to establish the dates sufficient to show conception and a diligent reduction to practice are as stated in MPEP §§ 715.07 and 715.07(a). MPEP § 715.07 outlines the requirement to establish dates to prove conception and states:

If the dates of the exhibits have been removed or blocked off, the matter of the dates can be taken care of in the body of the oath or declaration. When alleging that conception or a reduction to practice occurred prior to the effective date of the reference, the dates in the oath or declaration may be the actual dates or, if the applicant or patent owner does not desire to disclose his or her actual dates, he or she may merely allege that the acts referred to occurred prior to a specified date.

The Applicants have redacted all dates from Exhibit 1, but stated in the body of the Declaration, at paragraph 2, that:

Prior to August 13, 1998, the effective date of the Downs reference (U.S. Patent No. 6,226,618) and the BW Article our invention was conceived in full, and due diligence was used to reduce it to practice, for example by filing this patent application. As evidence that our work antedates Downs, we refer to the Preliminary High-Level Description of the Electronic Music Distribution System, Document 1.1, Version 0.020, attached hereto as Exhibit 1. Document 1.1 is an in-house specification. Dates and certain other proprietary disclosures appearing in this document have been redacted. We declare that this document (Exhibit 1) was created before August 13, 1998.

Additionally, the Declaration contains facts showing the conception of the invention prior to the reference and commensurate with the scope and extent of the invention as claimed. The Declaration contains explicit references to Exhibit 1, Applicants' Research and Development documentation, showing direct support for each combination of the independent claims. Exhibit 1 contains detailed figures and descriptions of each major element of the claims and how they cooperate to produce the invention. Exhibit 1 also details a procedure for limited

commercial testing ("beta" testing, see, Exhibit 1, pages 27-30) of the invention. The Applicants submit that the Declaration is ample evidence that the present inventors conceived the invention in full before the reference, followed by the diligent application for a patent.

MPEP § 715.07(a) outlines the requirement to prove diligence in reducing an invention to practice and states:

Where conception occurs prior to the date of the reference, but reduction to practice is afterward, ... applicant must show evidence of facts establishing diligence. ... Under 37 C.F.R. 1.131, the critical period in which diligence must be shown begins just prior to the effective date of the reference ... and ends with the date of a reduction to practice, either actual or constructive.

Given the above, the Applicants must show diligence from August 13, 1998 (the effective date of Downs, which is earlier than the publication date of the BW Article) to the filing of the provisional patent application upon which this application is based (the constructive reduction to practice). The provisional patent application (serial no. 60/113,861), was filed December 24, 1998, just four months after the effective date of the prior art. The Applicants submit that a four month period of further work on the invention and preparation of a patent application is within the limits of reasonable diligence.

In addition, Exhibit 1 provides facts to support a showing of diligent reduction to practice. Exhibit 1, pages 27-30, states that a pilot program, then a limited commercial testing and, finally, a full commercial roll-out were being prepared in accordance with the embodiments of the present invention. Although the specific target dates in the document are redacted, the nature of the reported work is such that the Applicants were diligently working

toward implementing the invention. Implementing a pilot program, as outlined in Exhibit 1, requires some very involved procedures that would be expected to take some time. Four months of work on the pilot program alone would be reasonable and diligent. The Declaration shows substantial preparation for the pilot program. For example, Exhibit 1, page 30, outlines the amount of hardware required to be purchased and configured in accordance with the invention. Specific working embodiments of some of the described architectural modules (i.e., software) had to be developed, content selected and encoded in the chosen EMD formats. *See*, Exhibit 1, page 29. Also in this period, the Applicants were in communication with their attorneys regarding the preparation and filing of the parent provisional application. Information about the invention was submitted to the attorneys and the application was drafted, reviewed, revised, and filed with the USPTO. Applicants submit that there is sufficient evidence that during the four months from August 13, 1998 until December 24, 1998, they were working continuously on the invention, including work on pilot or "beta" versions of a working prototype and preparation of a patent application.

The Applicants submit that the Declaration and facts therein are sufficient and proper under 37 C.F.R. § 1.131(b) to show that the invention was conceived prior to the effective date of Downs and the publication date of the BW Article and was diligently reduced to practice by further diligent work toward reduction to practice, ending with the filing of the above provisional application.

Thus, the Applicants respectfully request that the Examiner reconsider the Declaration and accept it, or provide the Applicants with a non-final rejection containing a specific explanation as to why the Declaration is insufficient to overcome the rejections of record.

Rejections Under 35 U.S.C. § 102(e)

Claims 3-37, 42-76, 81, and 83 are rejected under 35 U.S.C. § 102(e) as anticipated by Downs. The Applicants disagree that Downs shows all of the features of the claimed invention. Nevertheless, Applicants respectfully traverse the rejection by directing the Examiner to the Declaration under 37 C.F.R. § 1.131 (along with documentary evidence in the form of Exhibit 1) filed June 17, 2002. The Declaration, signed by all of the Applicants, states that the Applicants had conceived and diligently reduced to practice the invention as claimed in the present application prior to the earliest filing date of Downs.

Additionally, Applicants respectfully submit that claims 7 and 46 are not anticipated by Downs. Claims 7 and 46 state that a consumer is provided with “a default offer when the offer is determined to be invalid.” Downs does not teach or suggest validating an offer in response to an electronic contract and then offering alternative or default offers if the first offer is not validated. Downs states that “if the Clearinghouse(s) 105 is not able to successfully process the Order SC(s) 650, then an HTML page is returned to the End-User Device(s)... [to indicate] the reason that the Clearinghouse(s) 105 was unable to process the transaction.” Downs, column 45, lines 23-28. Thus, Downs just sends an error message to the consumer. In view

of the foregoing, claims 7 and 46 are not anticipated and withdrawal of this rejection is respectfully requested.

Claims 18 and 57 are also not anticipated by Downs. Claim 18 recites the steps of “determining whether the consumer has a player...[and] providing the consumer with the player when the consumer does not have the player” and claim 57 recites a similar system. Applicants respectfully state that Downs does not teach determining whether the consumer has a player and providing the consumer with the player when the consumer does not have the player. Thus, the Applicants respectfully submit that claims 18 and 57 are not anticipated by Downs.

Regarding claims 31 and 70, Downs does not teach or suggest “referencing a catalogue” or a central database for storing information and content. Thus, Downs does not anticipate claims 31 and 70 of the present invention and the Applicants respectfully request withdrawal of the above rejection.

Applicants submit that claims 34 and 73 are not anticipated by Downs. Claims 34 and 73 disclose a method and a system for “certifying a candidate offer received from a retailer as a certified offer.” The Applicants respectfully state that Downs does not teach certifying offers from a retailer and respectfully request that the above rejection be withdrawn.

Additionally, the Applicants respectfully state that claims 85-87 are not anticipated by Downs. New claim 85 recites some of the limitations previously recited in claims 3-7. New claim 86 recites some of the limitations of claims 3 and 18. New claim 87 recites some of the

limitations of claims 3 and 34. Thus, the arguments above, regarding claims 7, 18, and 34, are applicable in distinguishing claims 85-87 from the prior art of record.

Rejections Under 35 U.S.C. § 103(a)

Claims 38-41, 77-80, 82, and 84 are rejected under 35 U.S.C. § 103(a) as unpatentable over Downs in view of the BW Article. The Applicants respectfully traverse this rejection by stating that Downs does not teach or suggest each and every feature of the claims, nor would it be obvious to achieve the claims by borrowing from the BW Article. In any case, the Applicants completed the invention as claimed in the present application before August 13, 1998, which was prior to the filing date of Downs and also prior to the publication date of the BW Article. See the Declaration under 37 C.F.R. § 1.131 filed June 17, 2002.

Applicants respectfully submit that claims 38-41 are patentable over Downs and the BW Article. The Examiner admits that Downs discloses the entire invention except for using visual link technology and that the BW Article discloses such technology.

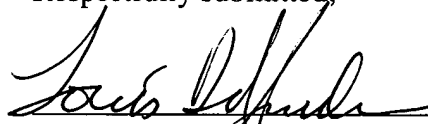
However, claim 38 recites the step of “determining whether the second consumer is authorized to use the selected item of information”, and the Applicants submit that neither Downs nor the BW Article teach or suggest verifying the second consumer. Claims 39-41 depend from claim 38 and distinguish over the prior art based on their own recitation. Thus, the Applicants respectfully request that the above rejection of claims 38-41 be withdrawn.

CONCLUSION

In view of the above remarks and the Declaration filed June 17, 2002, it is respectfully requested that the application be reconsidered and that all pending claims be allowed and the case passed to issue.

If there are any other issues which the Examiner believes could be resolved through a Supplement Response or an Examiner's Amendment, the Examiner is respectfully requested to contact the undersigned at the telephone number listed below.

Respectfully submitted,



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